

MINUTES
of the
LEGISLATIVE CONSUMER COMMITTEE
May 11, 2004
State Capitol, Room 102, Helena, MT

COMMITTEE MEMBERS PRESENT

Senator Walter McNutt, Chairman
Representative Gary Matthews, Vice Chairman
Senator Debbie Shea
Representative Alan Olson

STAFF PRESENT

Robert A. Nelson, Consumer Counsel
Frank E. Buckley, Utility Analyst
Larry Nordell, Economist
Mary Wright, Attorney
Mandi Shulund, Secretary

VISITORS PRESENT

Mary Vandenbosch, Legislative Services Division

CALL TO ORDER

The meeting was called to order by Chairman McNutt.

MINUTES OF THE PREVIOUS MEETING

MOTION: Representative Olson moved approval of the minutes of the January 28, 2004 meeting.

VOTE: The motion passed unanimously.

STATUS OF CASES PENDING - BOB NELSON PROVIDED THE FOLLOWING HIGHLIGHTS OF CASES CURRENTLY PENDING:

NorthWestern Energy

D2003.7.97 - NWE Gas Trackers: The March Gas Tracker filed 2/16/04 resulted in a gas cost decrease from \$4.9949 to \$4.9445 (Residential rates decreased from \$8.33

to \$8.28, or .6%); The April Gas Tracker filed 3/15/04 resulted in a gas cost increase from \$4.9445 to \$5.1452 (Residential rates increased from \$8.28 to \$8.48, or 2.4%); The May Gas Tracker filed 4/15/04 resulted in a gas cost increase from \$5.1452 to \$5.5331 (Residential rates increased from \$8.48 to \$8.87, or 4.6%)

D2003.8.115 - NWE Electric Trackers: The March Electric Tracker filed 2/16/04 resulted in a residential rate decrease to \$.037717/kwh, or.27%; The April Electric Tracker filed 3/12/04 resulted in a residential rate increase to \$.039064/kwh, or 3.57%; The May Electric Tracker filed 4/15/04 resulted in a residential rate increase to \$.040709/kwh, or 4.2%.

D2003.8.109 - NWE Financial Investigation: MCC is trying to put some structural protections for consumers into place, or ring-fencing, and are reviewing the current rates of NorthWestern Energy (NWE). A procedural schedule is in place but there have been disputes about the production of information in response to MCC data requests. MCC is interested in internal reports regarding the actions of NWE's corporate officers, specifically former CEO Richard Hyland, because there may be information about what decisions and mistakes were made in handling the utility operations. MCC has filed a motion to compel responses from NWE and understood that this resolved the problem. MCC has now asked the PSC to appoint a special master to consider this issue. NWE claimed attorney/client privilege and immunity with respect to this report, which MCC feels is not privileged or subject to immunity. The PSC did appoint Martin Jacobson, PSC staff attorney, as special master but he is no longer available due his workload. NWE objected to the PSC appointing a special master, but the PSC dismissed that objection. On March 2nd, Dr. John Wilson filed testimony on MCC's behalf proposing structural protections, a utility only subsidiary, restrictions on the disposition of NWE's utility property, segregation of utility finances from non-utility operations and risks, restrictions on the Montana utility entering into non-utility operations without prior PSC approval and restrictions on financing to separate utility and non-utility debt and collateral. Dr. Wilson also suggested management practices regarding money pools, co-mingling of funds and

transparent utility accounting, stating that the financial records are to be understandable and available to the PSC and other interested parties. Dr. Wilson suggested an operation and maintenance review, which was initially suggested several months ago by MCC bankruptcy counsel John Coyle. A review is underway and NWE has retained Liberty Consulting, who has started reviewing NWE's operations and expects a report out in July. Dr. Wilson indicated there is reason to believe that NWE is over earning and that a rate review should be conducted. NWE filed response testimony, contending that the PSC has no authority to order the structural protections, or ring fencing that Dr. Wilson recommended. NWE's testimony also claimed that historically they have not over earned, however, their testimony does show that for the most recent reporting period both gas and electric utilities are over earning. Senator Shea asked Bob what it was specifically about ring fencing that NWE objected to. Bob stated that their objections are primarily philosophical and legal and NWE did say that they would agree to parts of some provisions that Dr. Wilson recommended. Representative Matthews asked Bob if the financial investigation has been stopped since NWE asked the bankruptcy court to stop it. Bob stated that John Coyle and Brady Williamson, PSC bankruptcy counsel, both feel that the bankruptcy court can't stop the financial investigation because all litigation affecting a company that is in bankruptcy is on hold by operation of automatic stay, but there is an exception to that automatic stay for the police powers of the state, which include criminal and regulatory activities. The PSC feels that the filing of this motion by NWE doesn't have any impact on the financial investigation and it won't until the bankruptcy judge acts on it. Also, NWE's failure to comply with the procedural schedule by not responding to MCC data requests is a violation of that order. The PSC is going to issue another order requiring them to file responses and information subject to the motion to compel in the special master process. A hearing is set for 6/16/04 but may be rescheduled due to this delay.

03-12872 – Bankruptcy Proceeding: Monthly omnibus hearings are being held, where several matters are considered and decided. The next omnibus hearing is 5/17/04 with 26 matters on the docket, but MCC is only focusing on a few critical

issues, one being the filing of the Disclosure Statement and the Plan of Reorganization. The point of the disclosure statement is to give parties who are entitled to vote on the plan of reorganization adequate information so they can make informed choices on whether to accept or reject the plan. Right now, objections to the disclosure statement all go toward whether the disclosures constitute adequate information for those who will be voting on the plan. This really is a technical point in the whole process, but some may view it as a signal being sent to the debtor about what problems they have with the plan and several objections have been filed. MCC has until 5/12/04 to file objections, which will contain three main points. The first is that the disclosure statement fails to disclose that the equitization of unsecured debt will require PSC authorization, so the plan is not confirmable unless the PSC approves that portion of the plan. The second point is the disclosure statement fails to disclose that the failure to resolve the financial investigation could require rate changes later on that would render the plan infeasible. The third point is the disclosure statement fails to disclose that the valuation that the company is putting forth depends on GAAP accounting that doesn't really affect their ability to generate revenue according to standard commission practice. This point goes toward the concern that many have stated about the company estimating its value in the plan at roughly 1.5 billion dollars, although the actual utility rate base value is about 1.1 billion dollars. The 1.1 billion is what the PSC will review and allow a return on, so MCC is interested in how the valuation is put together and how NWE and any successor intends to generate revenues that would support the plan that indicates a 1.5 billion valuation. The PSC has objected to the retention of Pearl Meyer, a compensation consultant retained by NWE to evaluate the compensation plans for the management and future board of directors. The PSC felt that it would be more appropriate to wait until the new board of directors could participate in this process. The district court over ruled that objection last week and a fee examiner has been appointed. Several parties have requested the formation of an equity holders committee because they believe the company's valuation is much too low and believe that, as stated in pleading, there is at least 2.2 billion dollars in value in the company, enough to more than pay off the debt and to have some left over for equity

holders. Some parties claim that the conveyance of Montana Power, LLC, to NWE created an insolvent entity in Montana Power, which is a fraudulent conveyance under Montana Law. Theoretically, if the court is convinced of this, there would have to be some unwinding of the transfer, therefore, objections have been filed with respect to the disclosure statement indicating the belief is that there are no assets in NWE that would ultimately be available to satisfy any claims because they would have to be reverted back to MPC, LLC. The PSC hired Scott Hempling, an attorney and ring fencing expert to testify on their behalf and to explain why, in his view, those ring fencing structural protection provisions were necessary to the confirmation of a plan. Despite all of the issues and differences of opinion, there have been on going settlement discussions and John Coyle feels that a settlement is ultimately achievable. One main issue of the settlement discussions is rate review and who will have the burden of proof on any rate review and how long NWE could wait before filing any of this material that could constitute a rate review. It appears that NWE will submit the materials that the PSC's minimum rate case filing requirements would require and NWE would file in 2006 using a 2005 as the test year. MCC has always recognized that there is some value in rate stability, but there has to be a review to determine if NWE is keeping up on matters such as O&M, because they are not going to want to suppress their expenses if they know that their costs are going to be reviewed and perhaps long term rates could be set based on their attempt to cut costs in the short run. Representative Olson asked if this would apply to all regulated utilities, such as MDU and Energy West. Bob stated that this would be a settlement in the bankruptcy proceeding, so it would be NWE specific. Senator Shea asked Bob how the weekly meetings were going and how communication was between the state agencies and the legal counsel hired by them. Bob said that financial advisors/investment bankers Miller Mathis technically work for The Governor's office, The Attorney General's office, MCC and PSC, but all agencies have separate legal counsel. The AG's office typically does not participate in the weekly conference calls, and the communication problem seems to have been resolved. The PSC has let Miller Mathis know that MCC's concerns are to be taken into account. The AG's office is funding Miller Mathis, so they have the final say in

any disputes regarding the contract and Miller Mathis. MCC, the PSC and the Governor's office are signatories to a memorandum of understanding that controls how the financial advisors' work is conducted. There are some provisions in the contemplated bankruptcy agreement that relate to the liquidity that NWE will have on emergence from bankruptcy, which relates to the roll over of their DIP Financing. There are many miscellaneous provisions that deal with segregation of USB funds, for example, selection of board of directors and payment of the PSC's professional fees. There are several ring fencing type protections involved in the settlement discussions that relate to affiliate transactions. MCC was initially trying to establish a utility only subsidiary, which is one of the objectives of the financial investigation. NWE is currently heading toward a utility that is ring fenced at the parent level, rather than the subsidiary level, and any subsidiary operations will have their own financing or non recourse debt with respect to the parent, so there will be separation in the financing between the utility and non utility operations. Representative Matthews asked Bob why the 2003 Senate Bill regarding PSC authority over sales and transfer of utilities did not make it out of the Senate. Bob wasn't exactly sure what happened there, but did say that both MDU and NWE opposed that bill. These provisions would only affect NWE and not MDU because the form of ring fencing that is being discussed at the parent level with non-utility operations and subsidiaries and non-recourse debt and separate financing is how MDU's organization is currently set up. Representative Olson added that this bill was held up during the 2003 session because of language and definitions and The Governor's Task Force is developing some ring fencing language and hope to have that finalized soon. Senator McNutt asked Bob to discuss ring fencing further, and Bob added that ring fencing is a generic term for various consumer protection mechanisms regarding structural provisions for the utility corporations. Ring fencing encompasses various controls that are meant to protect the regulated utility assets and operations and the consumer affected by those operations from the risks that are undertaken by non-utility operations of the same corporation affiliate. The ultimate goal for ring fencing is stability in service quality and rates. MCC pursued ring-fencing provisions initially in the financial investigation because that is where the immediate problems were

and it was assumed that the PSC had authority to order those kinds of structural protections. MCC proposed several specific protections, including separate subsidiary and cash management practices, debt allocation and approval of affiliate transactions and restrictions on utility property disposition. This assumption of PSC authority stems from the PSC's general authority for supervision and control of utilities and the utilities obligation to maintain adequate service and just and reasonable rates. Senator McNutt asked Bob how NWE could legally separate the utility from the remaining operation. Bob said that under the structure that is being discussed with the utility at the parent level and all non utility operations and subsidiaries, the claim would have to be against the subsidiary, which would have its own financing and would be non recourse to the parent. Representative Olson asked Bob how the Enron Bankruptcy affected PG&E. Bob stated that PG&E was a subsidiary of Enron, and the Oregon Commission, in approving the acquisition of PG&E by Enron, required a separate subsidiary with separate financing and debt ratings, and there was another provision that required a special class of stock for PG&E. This one share of special stock provided veto power if Enron ever wanted to put PG&E into bankruptcy and that share was given to a trustee, so an additional barrier was created.

N2004.1.15 – Default Supply Procurement Plan Filing: NWE filed its Default Supply Procurement Plan pursuant to HB509. The PSC is reviewing the filing for compliance with the objectives in HB509 and the guidelines that the PSC adopted pursuant to HB509. The PSC issued a Procedural Order in March, determining that the filing is not a contested case and no hearing is required. The PSC is going to issue comments at the end of an informal process involving workshops and public meetings. MCC has submitted data requests and will be filing comments.

ER03-1223-000 – Montana Megawatts I: MCC and the PSC objected to this filing because it was felt that this application should be considered by the state commission and filed a request for rehearing with FERC. FERC accepted the filing, with very little process, subject to a later hearing. A settlement judge was appointed and there have been settlement discussions. On 5/10/04 FERC issued an order

denying the request for rehearing, stating that they do have jurisdiction over this contract because it is a sale for resale. Also in this order, FERC found that the PSC has extensive authority because they have the ultimate say over whether the acquisition of that power is prudent.

D2004.6.45 – Basin Creek Contract: This project is a 50 megawatt project with 9 reciprocating engines that are run with natural gas with a capacity charge of \$5.92 per kilowatt month and a fixed O&M charge of \$1.60 per kilowatt month. The capacity charge does not escalate, but the O&M charge does. NWE would supply the gas, which is not included in these costs, so the gas costs would be paid by the electric ratepayers. NWE requested that this filing be considered under the SB247 advanced approval application process. The PSC requested comments, and there were no oppositions to the filing being considered under the SB247 process. This case is currently in the discovery phase with the hearing set for mid July.

Representative Matthews asked how the \$5.92 per kilowatt month works, and how it compares to kilowatt-hours. Larry stated that the contract breaks the power cost into two parts, a capitol charge and an energy charge. The capitol charge is recovering the fixed costs of the plant, which is so many million dollars per year, but is calculated on the basis of dollars per kilowatt month. The energy charge recovers the O&M costs, variable O&M costs, and fuel and labor costs, which are related to the rate that the plant is operated on and are billed on a kilowatt-hour basis.

Montana Dakota Utilities

D2004.4.50 – MDU Application to Increase Natural Gas Rates: MDU filed this application on 4/1/04 and is requesting a 1.5 million dollar increase that relates to the non-gas component of their rates, which is a 1.8% overall increase. The application stated that the increase is mostly due to wage, benefit and depreciation expense increases. A distribution stabilization mechanism was also proposed in this application, which is a type of revenue normalization based on adjustments for weather. The PSC denied their requested waiver of marginal cost allocation study, so MDU will have to provide more information as to how they are allocating their cost

to various customer classes. MDU is proposing to collect the increases in service charges and distribution delivery charges, so the lower volume and summer users will see higher increases and the larger volume users will see lower increases.

D2004.4.45 - MDU Annual Tracker Review: This tracker was filed on 4/9/04 and is the annual review that is done of their monthly gas cost trackers.

D2004.3.40 - MDU Gas Tracker: This is the latest monthly gas tracker, filed on 4/8/04, showing current gas costs of \$7.455/dkt.

Energy West

D2003.12.165 – Property Tax Expense Recovery: EWM made this filing on 11/26/03. The PSC reduced the requested increase to reflect the income tax effect of their increased property tax expense. There were also several other miscellaneous adjustments that reduced the \$768,000 to \$455,000 in the Interim Order. MCC filed comments in late January that basically echoed the concerns that the PSC had already stated in the Interim Order. The PSC issued a proposed order, which they finalized on 5/11/04 with one adjustment, reducing the adjustment to \$425,000.

D2004.2.16 – Energy West General Rate Increase-West Yellowstone: EWM made this filing on 2/5/04 and are requesting a 16% increase to all rates with much of the increase on customer charges. The application stated they could justify a much greater increase, but felt constrained by market conditions. They are requesting, at the same time, a flexible rate that would allow them to eventually flex up to the amount that they feel could actually be justified.

D2004.3.46 - Energy West General Rate Increase-Great Falls: This application was filed on 3/26/04, and EWM is requesting a 1.1 million dollar increase which is about 4% for residential customers and 5% for general service customers. This case is currently in the discovery stage.

D2003.9.129 – Application for Issuance of Securities: This filing was for \$23 million with LaSalle Bank to replace a current \$23 million, also with LaSalle Bank. The PSC issued an order approving this application. These applications are getting more scrutiny than in the past because of bankruptcy concerns and the financial difficulties that Energy West has faced.

D2003.7.93 – Energy West Monthly Tracker: This monthly tracker was filed 4/10/04, showing current rates at \$7.01 mcf. This is currently the lowest cost gas utility among the three major gas utilities in Montana.

D2003.6.75 – Energy West Annual Gas Cost Tracker: This application was filed on 6/11/03. The PSC just issued a procedural order, with testimony due on 6/8/04.

Cut Bank Gas

D2004.3.47 – Cut Bank Gas General Gas Rate Increase: This application was filed on 3/25/04. These general rate increase requests are non-gas related, so they only affect the transmission and distribution operations of the company. In this filing, Cut Bank Gas is requesting an increase of .07 per mcf and \$2.00 per month in service charges.

Williston Basin

RP00-107-000: Significant refunds are owed to Montana from Williston Basin from a case that goes back several years. MCC has tried to get FERC to act on requiring interim refunds because there is only a small portion of the FERC order that creates these refunds that is subject to rehearing. Williston Basin resisted this request and FERC never did act on it. This docket has recently been on FERC's agenda.

Public Service Commission

D2004.2.21 – Electricity Market Investigation: At the request of the Attorney General's office, the PSC issued order 6531 on 2/12/04 initiating this investigation, which is a petition for rate refunds relating to 2000-2001. The Attorney General has appointed Mike Uda to provide special assistance in pursuing this investigation.

D2003.10.151 – Natural Gas Acquisition Strategies: The PSC initiated this inquiry on 11/3/03 and were trying to work toward some generic procurement strategy for gas utilities, similar to what is available for electric default supply. With electric default supply, there is only one electricity default supplier but with gas suppliers, there is Energy West, MDU and NWE. They all submitted reports and stated different views as to appropriate procurement practices. Initially, MDU and NWE wanted to have utility specific approaches, but both had different ideas. MDU liked the current system, but NWE wanted more PSC input and procurement guidelines. NWE filed a draft tariff establishing guidelines for themselves, but now feels that all utilities should be treated equally and are indicating more comfort with MDU's approach. The PSC closed this inquiry on 4/30/04, stating they would pursue the traditional prudence review taking into account the portfolio management practices of the gas utilities.

Grid West

Larry has been attending the Regional Representative Group (RRG) Meetings of RTO West. It has been decided that the current proposal is much different than what was being discussed under the RTO West proposal, now named Grid West. RRG is focusing their efforts on several areas, including developmental by-laws. The plan of operation is to first create a developmental board, hopefully by 12/04, which would be an independent entity to negotiate transmission agreements with the transmission owners. The developmental bylaws will include governance, including a description of how the board would be nominated and elected, and how the board would operate. Operational bylaws are also being drafted and would become effective once the developmental board was completed and the organization moved

more into the operational entity. Another focus of the RRG is the how transmission service would be provided and what products Grid West would offer. A consultant will be hired for this stage of the work, because it was felt that voluntary labor from the filing utilities and interested parties had been exhausted. One final piece of this process will be creating a benefit cost study for the project. The states will have to approve the transfer of operational authority to transmission grid for regulated utilities and will want some evidence that the risks will be worth the rewards and that the benefits are worth the costs. The governance proposal calls for a Members Representative Committee, which has five classes with six seats each. The five classes are transmission owning utilities, transmission dependent utilities, generators and marketers, end use customers, and governmental state regulators, this class entails public interest. Once negotiations begin between the developmental board and transmission owing utilities, the developmental board will need to offer transmission operating agreements within one year. Senator Shea asked Larry if the agencies would initiate this time frame. Larry said the timeframe begins as soon as the developmental board is elected and it is believed that one year is enough time to develop transmission operating agreements. Once the agreements are offered to the utilities, state regulators will have a chance to review them and to approve or disapprove their utilities' participation and once BPA and two other utilities sign on, the formation of the operational stage of the RTO West will begin.

MARY WRIGHT PROVIDED THE FOLLOWING HIGHLIGHTS OF CASES CURRENTLY PENDING:

Long Distance Cases

D2002.12.153 – Qwest Long Distance Corporation (QLD): The PSC issued a Final Order in this case on 2/12/04, adopting two out of three of MCC's recommendations. Those recommendations were that it was improper for Qwest Long Distance Corporation to offer long distance service only to its local service customers and a restriction be placed on data in certain of those plans. Qwest filed a motion for reconsideration, which the PSC recently rejected, reaffirming certain other data

collection requirements to assess customers growth and consumer education requirements that would help customers decide which rate plan was best for them.

D2003.10.153 – Qwest Communications Corporation (QCC): These tariffs have been approved on an interim basis and a hearing is scheduled for December. If MCC files testimony, it would be to make sure that the problems in the QLD case will not be repeated in the this case.

Eligible Telecommunications Carriers (ETC)

D2003.1.14 – Western Wireless: This hearing was held on 3/17/04. First round briefs have been filed and response briefs are due on 5/21/04.

D2003.8.105 - Cable and Communications Corporation: This case is on hold because of a discovery dispute and the PSC has scheduled an oral argument to try and resolve the dispute.

D2004.2.23 - MITS-MTA Petition for Rulemaking: The PSC has granted a petition for rulemaking from Montana Independent Telecommunications Systems (MITS) and Montana Telecommunication Association (MTA). MITS and MTA jointly asked the PSC to issue rules setting out minimum criteria for ETC designation. MCC filed comments supporting rulemaking and made specific suggestions. The PSC staff is to prepare rules for comment within the next month. Representative Olson asked Mary if the rules the PSC is drafting will be similar to legislation that did not pass during the 2003 session. Mary assumed that some of the rules would be similar and that right now the PSC is just considering a set of rules, which at first will be a very preliminary draft so there will be ample time to comment. There has been significant evolution from the Federal Communications Commission (FCC) on how they view the law and they have made it clear that state commissions do have authority to add additional requirements other than those in the federal law.

Local Number Portability

D2004.3.35 and D2004.3.37 Ronan Telephone/Hot Springs Telephone & MTA/MITS: Local Number Portability (LNP) is an obligation that was imposed on all incumbent telephone companies under the Telecommunications Act of 1996. The concept is that each telephone system has to have the capability of porting an existing number to a customer that wants to abandon the incumbent service so the customer can keep their phone number. The FCC had set a deadline of 11/24/03 for all telecommunications carriers in the 100 largest markets in the United States. Rural and other carriers not in the 100 largest markets have a deadline of 5/24/04. Another provision in both state and federal law gives state commissions authority and duty to suspend that requirement if companies can make certain showings, one being that it is unduly economic burdensome or technically infeasible. MCC filed comments supporting these petitions for suspension because affidavits from operators of various cooperatives showed calculations that costs of becoming technically ready to do this could double their local rates. There is also little or no demand for LNP in the rural areas of Montana.

Intercarrier Compensation

Intercarrier Compensation is the system whereby different types of telecommunications carriers nationwide compensate each other for use of their networks. This is a very complex issue that may be outdated and in need of reform. The Intercarrier Compensation Forum is a national organization that is trying to find consensus with an industry proposal. There is no deadline, but the FCC has said that no matter the outcome, the FCC will take action to reform the system. The PSC has scheduled a roundtable on 6/29/04 to review what intercarrier compensation issues there may be on an intrastate basis in Montana.

Court Cases

CV 03-20-H-CCL (Federal District Court for the District of Montana, Helena Division)
Ronan Telephone Company vs Montana PSC: On 4/28/04 Judge Lovell ruled that Ronan Telephone Company is not entitled to a trial and that the review will be

confined to the administrative record. Certain deadlines were set, that start in early summer.

03-9617 – Qwest Communications International vs FCC and United States of America (United States Court of Appeals for the Tenth Circuit): Qwest's opening brief was filed 5/4/04 and MCC and PSC will file a joint brief on 6/24/04.

FINANCIAL REPORT

Bob stated that things look good financially in all categories. At fiscal year-end, appropriation may remain in communications but may fall short in travel, so it appears that things will balance out. As usual, the biggest category and one that is followed the closest is contracted services. The available carry forward will probably not need to be used, but it is anticipated that most of the \$250,000 contingency will.

HIRING OF EXPERT WITNESSES

MOTION: Senator Shea moved approval to hire the services of George Donkin (rate design & cost allocation), Steve Hill (cost of capital) and Al Clark (other cost of service issues) to review the MDU General Rate Case.

VOTE: The motion passed unanimously.

MOTION: Representative Matthews moved approval to hire the services of George Donkin to review the MDU Annual Tracker.

VOTE: The motion passed unanimously.

MOTION: Representative Olson moved approval to hire the services of Al Bucakew to review the ETC cases and the LNP proceeding.

VOTE: The motion passed unanimously.

MOTION: Representative Olson moved approval to hire the services of John Wilson to review the NWE Electric Tracker and George Donkin to review the NWE Gas Tracker.

VOTE: The motion passed unanimously.

Public Comments

Based on HB94 requirements, a public comment period was offered, but none was given.

Adjournment

There being no further business to come before the committee, the meeting adjourned.

Respectfully submitted,

_____, Robert Nelson, Consumer Counsel

Accepted by the Committee this ____ day of _____, 2004

_____, Chairman